

**FOR IMMEDIATE RELEASE**

**September 1<sup>st</sup>, 2009**

**Lunenburg Utility Task Force takes action to support legislation  
to allow new Municipal Electric Companies in Massachusetts**

1. On August 27, the Lunenburg Utility Task Force urged State legislators to get Bills H3087 and S1527 enacted before the end of the current 2009-2010 legislative session.

2. Officials and residents from Lunenburg, Townsend, Ashby and Fitchburg will attend a public hearing at the State House in Boston on Wednesday, September 9, 2009 at 10am, Room A-1, to speak in support of Bills H3087 and S1527 before the Legislature's Joint Committee on Telecommunications, Utilities and Energy. Lunenburg will send Town representatives to the hearing. Residents from our four communities are also welcome to attend to support this legislation. The sponsors of Bills H3087 and S1527 will hold a press conference at the State House right before the public hearing.

3. A formal letter has been sent to the Massachusetts Department of Energy Resources (DOER) requesting a status update on DOER's study of the current barriers to establishing municipal electric utilities. The study, mandated by the Green Communities Act, is over 6 months late.

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These are the most recent actions taken by the Lunenburg Utility Task Force, established by the Lunenburg Board of Selectmen after the December 2008 ice storm left many residents of Lunenburg without electricity for up to two weeks, with the mandate to work on the Town's electrical service.

Over the years, Lunenburg has suffered repeated power interruptions with extended electrical down time, while paying high rates to Unitil. Unless it takes action, the Town sees little hope for improvement in its electrical service in the future.

At its first meeting on April 9th, 2009, the Lunenburg Utility Task Force formulated its objective, to "Provide the Town of Lunenburg with the best value in electrical service" and agreed on three options to meet that objective:

1. Purchase Lunenburg's electrical infrastructure from the current owner, Unitil, and start a Municipal Electric Company
2. Purchase Lunenburg's electrical infrastructure from Unitil and find a new buyer to operate it in a way that would better serve Lunenburg
3. Negotiate with Unitil for better service

In subsequent meetings, the Task Force focused on the State law that would enable Lunenburg to purchase the electrical infrastructure in Town, a reasonable option since several Municipal Electric Companies already exist nearby, in Ashburnham, Groton, and Littleton, formed in 1908-1912.

The Task Force discovered that a process exists for cities or towns to purchase the electrical infrastructure. Massachusetts General Laws (MGL), Chapter 164 (“Manufacture and Sale of Gas and Electricity, Municipal Lighting Plants”) defines the process. After reviewing the State law and discussing it with experts, including the Lexington Electric Utility Committee that has been working on these issues since 2001, the Task Force concluded that MGL Chapter 164 Section 43 effectively allows Unitil to block any purchase of the electrical infrastructure, because its language, written a century ago, has become obsolete. One result is that no Municipal Electric Company has been formed in Massachusetts since 1926 (except Devens, formed by special Act of the Legislature in 1996).

The Task Force reached two conclusions:

1. Enactment of Bills H3087 and S1527, now before the Legislature, is necessary for any city or town to ever be able to purchase the local electrical infrastructure; and
2. A feasibility study will be needed to determine the economics of a Town-owned electrical system in Lunenburg, before a purchase of Unitil’s infrastructure is proposed.

Since there is no assurance that legislation will be enacted to make the MGL Chapter 164, Section 43 process practical, the Lunenburg Utility Task Force considered as an alternative option, a Home Rule petition to allow Lunenburg to take over Unitil’s infrastructure, with the Land Court determining the value of the infrastructure. This approach entails risks: lack of legal precedent; enactment of the Home Rule petition by the Legislature; unpredictable litigation costs and legal outcome; absent involvement by the Massachusetts Department of Public Utilities, the value of the electrical infrastructure is unpredictable.

After discussing Bills H3087 and S1527 with representatives of Townsend, Ashby and Fitchburg, of the “Get-rid-of-Unitil” grass roots organization, and of the Lexington Electric Utility Committee, the Lunenburg Utility Task Force concluded that to make progress in providing reliable electrical service via another provider than Unitil, Bills H3087 and S1527 must become law.

**For further information:**

Contact Tom Alonzo, Chair, Lunenburg Board of Selectmen 978-270-0386 [toma@net1plus.com](mailto:toma@net1plus.com) or Carolyn McCarthy, Clerk, Lunenburg Utility Task Force 978-790-0798 [cmcc@us.ibm.com](mailto:cmcc@us.ibm.com), and

Visit [www.massmunichoice.org/faqs.aspx](http://www.massmunichoice.org/faqs.aspx)

## Utility Task Force

17 Main Street  
Lunenburg, MA 01462

August 27, 2009

Commissioner Philip Giudice  
Massachusetts Department of Energy Resources  
100 Cambridge Street  
Suite 1020  
Boston, MA 02114

Subject: DOER study of municipal electric utilities

Dear Commissioner Giudice:

Residents and municipal officials from the central Massachusetts area where Unitil is the electric distribution company – Fitchburg, Lunenburg, Townsend and Ashby – recently met to discuss Bills H3087 and S1527, now before the Legislature.

As you know, the legislation amends MGL Chapter 164 to make it possible for new municipal electric utilities to be formed in Massachusetts. We feel that passage of this legislation is vital for our communities since we are interested in having the option to form a municipal electric utility as a means to receive acceptable electric service, something Unitil has failed to accomplish – with outages of up to two and a half weeks during the December 2008 ice storm, while charging the highest rates in Massachusetts.

We understand that DOER is conducting a study on the impact of, and barriers to, the creation of municipal electric utilities in Massachusetts, as per section 107 of the Green Communities Act, and are writing with respect to this study. We would like to offer our assistance by sharing our thoughts, perspectives and plans as stakeholders in the outcome of the study.

We would also appreciate receiving answers to the following questions:

- Will the study be completed by the new October 30, 2009 deadline?
- If not, when do you expect the study to be completed?
- Which consulting firm will assist DOER with the study, and when will the consulting firm start its work?
- Can our Utility Task Force provide input to and review a draft report of the DOER study before the report is finalized?
- What would be the best method and timing to provide such input, and review a draft? (Perhaps a contact person at DOER could be designated for us to communicate with.)

We look forward to your answers to these questions, and appreciate your attention to this matter. Please contact Carolynn McCarthy, Clerk of the Lunenburg Utility Task Force, 978-790-0798 [cmcc@us.ibm.com](mailto:cmcc@us.ibm.com), with any question you may have. You can direct your response to her at the above address, or via email. Thank you!